

2026 SIFMA Annual Meeting Debrief

Perspectives & Key Themes from Market Participants

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SIFMA's annual meeting, held as the association marked its twentieth anniversary, examined how technology is changing market operations, investment access and regulation. Participants identified practical benefits from AI and tokenization while questioning how new systems should be funded, connected and governed. The economic discussion placed those developments in the context of persistent inflation, high borrowing costs and uneven growth.

Among the takeaways:

Measurable benefits make the case for innovation. Speakers identified gains from intraday financing, AI-assisted operations and wider investor access, even as agreement on those objectives did not extend to a single market design. Conversations exposed trade-offs between faster settlement vs. the benefits of netting and experimentation vs. convergence around interoperability, for example.

Wider access will require changes in both regulation and the economics of serving investors and issuers. Industry leaders and regulators supported reducing obstacles to public capital formation, expanding access to private investments and creating domestic pathways for new products, but differed in how changes should be implemented. SEC and CFTC initiatives sought domestic pathways for new products while issuer notification, execution duties and the economics of research and distribution remained important implementation questions.

Participants are optimistic about AI's potential to improve market efficiency, even as the cost of AI infrastructure may challenge debt markets. Panelists noted the possibility that rising fiscal deficits alongside a surge in corporate borrowing to finance the AI buildout could further pressure Treasury yields, which already stand at multi-decade highs. They also raised questions about how quickly any AI-based productivity gains would reach wages.

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Innovation

Almost all discussions touched on how innovation is shaping today's markets and the importance of ensuring that it delivers measurable benefits to investors. Speakers emphasized that adoption must be justified by the value delivered and the trade-offs entailed. Among the many questions raised were how technology can best be used to bring more investment opportunities to a wider audience without weakening the safeguards that support investor confidence, with panelists differing over settlement design, infrastructure investment and the pace of adoption.

Remarks from SIFMA's Incoming and Outgoing Board Chairs

Newly elected SIFMA Board Chair David Lefkowitz discussed the need for capital formation to remain technology-agnostic, noting that "the same activities, the same risks should be governed by the same rules regardless of what technology underpins them." He urged firms to consider the risk of failing to innovate alongside the risks of adopting new systems. New technology must bring demonstrable improvements and must affirmatively answer the question: "Is there a reason to innovate?"

Lefkowitz discussed securitization's role in funding the digital infrastructure buildout, from financing data centers to equipment, including GPUs. He pointed to risk retention, more granular disclosure requirements and bankruptcy-remote structures as safeguards supporting investor confidence. He applied a similar standard to tokenization: potential gains in cash management, collateral movement and settlement must be supported by robust investor protections and resilient infrastructure. New systems must maintain customer identification and anti-money-laundering controls and withstand volatility and higher transaction volumes.

Lefkowitz also spoke about his broader capital-formation priorities, which include a focus on reducing costs for issuers while preserving access to financing. He called for "reducing some of the friction, not just in going public, but in staying public," and emphasized that the Basel III Endgame should preserve banks' ability to participate in markets as lenders and investors. For individuals, he noted a two-fold need: earlier financial education, and practical tools that show how spending, unexpected expenses or interrupted saving affect long-term outcomes. Broader investment access should therefore be accompanied by resources that help investors assess what new opportunities mean for their own circumstances.

Sounding a similar note, outgoing Board Chair Ronald Kruszewski extended the investor access discussion by highlighting the wealth creation that many investors miss when companies remain private. Healthier public markets and wider private-market access were complementary objectives. Strengthening public markets, however, requires addressing the economics of serving smaller issuers. He pointed to the difficulty of sustaining small-company research coverage, noting that "we find it very difficult to make the math work" for small company research coverage, reinforcing Lefkowitz's emphasis on removing some of the challenges smaller public-market companies face.

Kruszewski emphasized the role that technology plays in judgment and advice, suggesting that "the more information [that] becomes accessible…the more need there is for advice." Kruszewski also highlighted the results of a SIFMA-sponsored survey of individual investors. Conducted by KPMG, the "Voice of Investor Satisfaction, Trust, and Advocacy" or VISTA Study again pointed to high levels of satisfaction and trust by investors for the survey's second year.

However, even as satisfaction was highest among investors who received professional advice, either exclusively or alongside self-directed investing, trust in AI-only financial advice showed a decline across all generations.

Autonomous AI agents raised a separate accountability question: “Has anyone really thought about if an agent does something or takes money, who’s responsible?” Kruszewski contrasted the authorization and documentation required for human agents with uncertainty over software acting for a client. The concern foreshadowed the CFTC’s discussion of how supervision should adapt as AI-enabled trading spreads.

For the first time, the study examined investor familiarity with private markets, digital assets, and prediction markets, finding that investor interest in these emerging asset classes is expanding. Interest is strongest among millennials and Gen Z, signaling growing demand for opportunities beyond traditional public markets among those with longer investment horizons, even as Kruszewski identified education, transparency and valuation as critical to participation. Although he described clients as optimistic, he ended the discussion by stressing investor understanding, cautioning: “Be mindful of your leverage because that has a way of humbling a lot of people and companies.”

The Future of Finance

Tim Massad of the Harvard Kennedy School moderated a panel with Amy Oldenburg (Morgan Stanley), Eddie Wen (JP Morgan), Jessica Hartnett (BlackRock) and Matt Billings (Robinhood) that explored how technology is changing the way investors access markets and firms deliver financial services. Participants saw opportunities to expand investment choices, improve advice and use capital more efficiently, but emphasized that new capabilities must deliver practical benefits. Their discussion highlighted how progress depends on the systems, standards and safeguards that connect new products to the wider market.

The discussion distinguished the immediate benefits of better tools and wider access from the more difficult task of coordinating trading, payments, collateral and settlement. AI can accelerate product development, improve customization and help investors compare fees and risk. Oldenburg argued that greater transparency could make mediocre products harder to sustain, while Wen emphasized the need for data organization as part of AI deployment. Billings described a dedicated account structure through which clients could use AI-generated trading rules with controls and governance around that activity, while Hartnett stressed that technology does not change a firm’s fiduciary responsibility.

The panel also identified a training problem that connected to Kruszewski’s emphasis on judgment. Junior roles may shift toward reviewing outputs, but understanding existing workflows remains essential to redesigning them. Massad questioned how employees would acquire judgment if AI displaced the work through which earlier generations had learned.

On extended trading, longer trading hours exposed the gap between new execution capabilities and supporting infrastructure. Billings emphasized customers’ ability to respond to news and manage portfolios when convenient, reporting that Robinhood’s overnight activity remains concentrated in a relatively small group of liquid securities.

Wen warned that banking infrastructure may be unavailable when a market is open: “There is a potential that you may get margin called on the weekend, but you can’t move money around.” Hartnett added that continuous ETF trading depends on market makers and arbitrage when underlying markets may be closed. Weekend trading therefore requires more than an execution venue; it also requires reliable funding, collateral mobility, liquidity and operational support.

Discussions on settlement generated a related trade-off. Wen warned that instantaneous settlement can raise costs by removing netting benefits, even after firms have invested in new infrastructure. Faster settlement was not treated

as an unqualified improvement for every participant; a model in which atomic settlement and net settlement coexist for clients with different needs is a more-likely long-term outcome.

Panelists also discussed tokenization's value across different use cases. For retail clients, access was the predominant benefit, particularly through cross-border and private-market opportunities. Oldenburg highlighted the potential to reduce the administrative burden of distributing private investments and make more client assets usable as collateral, expanding clients' financing options. Institutional applications centered on treasury management and collateral mobility. Wen described tokenized intraday repo as a way to connect investors whose cash would otherwise sit idle for hours with institutions needing short-term liquidity, enabling more productive uses of available capital.

Despite the prospects for greater efficiencies offered by both AI and tokenization, interoperability remained an outstanding issue. Wen expected multiple chains and called for common standards around settlement finality, privacy and customer identification. Oldenburg supported standards but cautioned against recreating legacy processes, suggesting that "the same workflow might not actually be necessary." Billings favored experimentation and allowing customer adoption to influence which approaches develop. The panel supported clearer regulatory parameters but raised concerns that exempt venues could fragment liquidity because they face fewer rules, highlighting the need for competing models to operate within a framework that preserves investor protections and market integrity.

Scaling Tokenization and AI

Tim Gokey, CEO of Broadridge, provided practical examples of adoption and a response to the panel's questions about scale. He expected traditional and tokenized assets to coexist for an extended period, with adoption proceeding "asset class by asset class." Collateral optimization is already operating at scale: Gokey reported approximately $360 billion in daily activity on Broadridge's distributed ledger repo platform. Building on Wen's intraday repo example, he described how more precise financing could shift repo from a treasury function funding the firm to a desk-level function funding individual trades, changing trading economics.

Gokey described a hybrid approach that connects digital wallets and trading capabilities to existing accounting, risk and regulatory reporting systems but noted that this transition will also present cost challenges: avoiding duplicate infrastructure costs and maintaining separate infrastructures for traditional and tokenized assets could increase expenses before sufficient revenues emerge to support them.

AI could help firms absorb the operational demands of longer trading hours and parallel traditional and tokenized markets. Gokey reported approximately 25% productivity improvement over 18 months across roughly 1,000 operations professionals supporting about 50 firms, with a further 25% improvement likely to materialize in the months ahead. He attributed the foundation for deployment to connected applications, a unified data model and common interfaces, reinforcing the emphasis on data preparation. Deployment still required detailed work on individual use cases, but as he put it, AI could help manage greater scale and complexity "while maintaining accountability and control."

Digital communications offered another opportunity to improve service alongside efficiency. Discussing electronic delivery, Gokey cautioned that "if this just becomes replacing mail with email, we'll have really missed an opportunity." He saw communications as a way to connect investors with advisers or digital services, strengthen

shareholder engagement and make voting preferences easier to exercise, whether through standing voting instructions or on-chain proxy capabilities.

Broadridge's work on on-chain proxy voting and communication between issuers and tokenization providers also addressed questions about shareholder rights. The connection extended to regulation: tokenization notices must reach issuers, and changes in distribution must preserve the communication and delivery obligations described by the SEC officials.

Regulation

CFTC Chairman Michael Selig and SEC officials Jamie Selway and Sebastian Gomez outlined efforts to modernize regulation so that new technologies and products can develop within clear frameworks that preserve investor protections and market integrity. CFTC Chairman Selig described an effort to create domestic pathways for innovation while reviewing requirements whose costs may exceed their supervisory benefit. His objective was “the minimum effective dose of regulation,” preserving measures such as central clearing and swaps reporting while reconsidering unnecessary burdens. Selway, Director of the SEC’s Division of Trading and Markets, identified tokenized securities, SEC-CFTC coordination, extended trading and modernization of legacy rules as priorities.

Both agencies described ways to act within existing authority, although their approaches addressed different markets, with experimentation informing policy. Selway described the SEC’s Innovation Exemption as a measured step toward formal rules: “We want to do something exemptive, collect data, see how the market reacts, and then head to formal rulemaking.” Volume limits and issuers’ ability to object were part of that framework. Selig outlined an optional federal registration pathway for crypto exchanges, while acknowledging gaps that would remain alongside state licensing. The approaches created opportunities to test new market structures, but Selig continued to favor legislation as the more durable solution for crypto-market oversight.

Selig distinguished payment regulation from the market oversight crypto exchanges require. State money-transmitter frameworks, he argued, were not designed to supervise order-book trading and custody in the same way as federal market regulation. He highlighted gaps in access to trading data and the supervisory relationships available through registered exchanges, intermediaries and the National Futures Association. The proposed federal pathway would draw on existing authority over leveraged, margined or financed retail commodity transactions, but optional participation would leave gaps where exchanges remained outside the federal framework. His preference for legislation reflected the limits of extending existing authority rather than creating a comprehensive registration requirement.

The SEC discussion showed how experimentation raises specific questions about brokers’ responsibilities. Selway confirmed that a broker trading on a tokenized security venue would retain its best-execution obligation, even though the venue itself, as an unregulated entity, would not have that same obligation. As to including tokenized equities into execution decisions—should clients choose to trade these products—a broker might have grounds to disregard such a price if the client lacked a digital wallet, did not want immediate settlement or could not operationally hold the tokenized asset.

For issuers, effective notice and continuing shareholder rights were central to the same experiment. SEC Deputy Director, Legal and Regulatory Policy, Division of Corporation Finance Gomez stressed that issuers need procedures to receive and escalate tokenization notices so they can exercise their right to object. He clarified that the exemption does not change shareholder communication and delivery requirements. Beyond these issuer responsibilities, tokenization will require cross-agency coordination: Selig described work with the SEC to enable tokenized securities to serve as derivatives collateral, while Selway highlighted joint oversight efforts on security futures and perpetual futures on securities.

Selig also explained the funding problem tokenization could address. Firms supporting weekend trading may need to post excess collateral on Friday because conventional payment infrastructure limits subsequent transfers. Tokenized assets could allow collateral to move during the weekend, reducing the need to prefund positions. He

described the objective as bringing “more liquidity into our markets” and making capital “much more efficient.” His comments reinforced Wen’s concern that extended trading requires funding capabilities to match execution, while Kruszewski’s warning about faster deposit flight highlighted the different risks such mobility could create during times of stress.

Product classification presented another coordination challenge. Selig described the statutory boundaries as a “Venn diagram,” with similar economic exposures potentially available under either agency’s framework depending on their structure. He viewed existing securities and commodities statutes as broadly capable of accommodating products such as perpetual contracts, although additional regulation might be appropriate. His assessment distinguished the need for clearer coordination and product-specific safeguards from the need to rewrite legislation. Unlike crypto spot-market oversight, where he favored a legislative solution, he generally regarded the existing derivatives framework as sufficiently adaptable.

AI and longer trading hours raised the related question of whether existing safeguards remain effective as participation and trading behavior change. Selig said the CFTC would assess AI-enabled services through its oversight of registrants and regulated markets, consider whether rules require updating, and work with exchanges on surveillance and safeguards such as circuit breakers. He distinguished that mandate from supervising every individual’s use of AI to develop trading strategies. Selig said the CFTC was also developing AI-based enforcement and surveillance tools and using AI to accelerate staff work but emphasized that technology was “no substitute for having staff within the building.”

His comments addressed regulatory supervision, while leaving open Kruszewski’s separate question about legal responsibility when an autonomous agent acts for a client. On continuous trading, Selway described preparations for extended securities trading, while Selig highlighted concerns among agricultural and energy-market participants and the need for adequate staffing and systems outside conventional hours, noting that readiness and demand differ across markets.

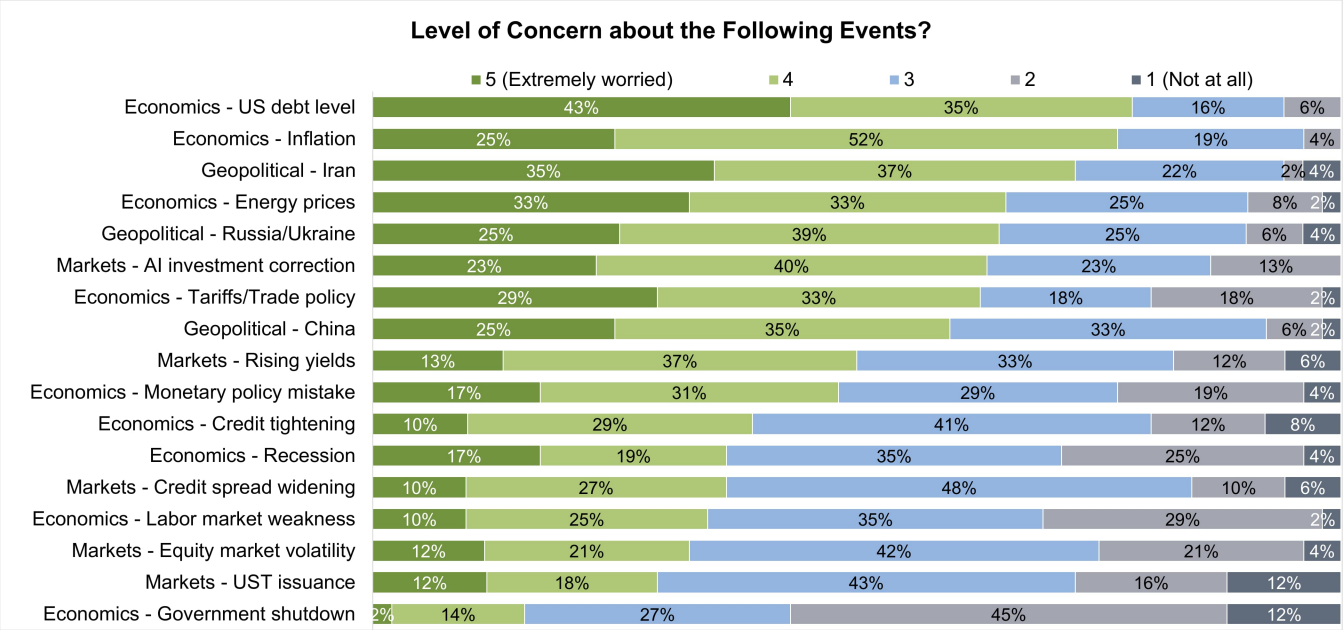
Alongside changes to trading and market infrastructure, Gomez’s capital-formation agenda addressed the costs of entering and remaining in public markets. Proposed changes to disclosure requirements, filer classifications and registration eligibility were intended to support companies’ continuing financing needs. As Gomez noted: “The capital needs don’t end when a company goes public, but they continue thereafter.” Broader Form S-3 eligibility would also expand access to the Rule 139 research safe harbor for smaller and newly public companies, although Gomez acknowledged that firms would still need to assess the economics of coverage. His qualification echoed Ron Kruszewski’s concern that regulatory relief alone cannot make small-company research commercially viable.

The modernization agenda also covered access and market resilience beyond tokenized trading. Gomez discussed expanding accredited-investor eligibility through measures of sophistication and access through diversified pooled vehicles. Selway described Treasury clearing implementation as more advanced for cash transactions than for repo, where further issues could emerge. Selig linked risk-sensitive capital requirements to intermediaries’ capacity to provide hedging access, echoing Lefkowitz’s concern that capital rules preserve the financing role of banks. He argued that excessive capital requirements could discourage futures commission merchants from serving smaller commercial clients or require clients to commit more funds, limiting access to hedging. His priority was capital treatment reflecting actual risk while preserving market access for commercial producers.

Economic Outlook and Survey Results

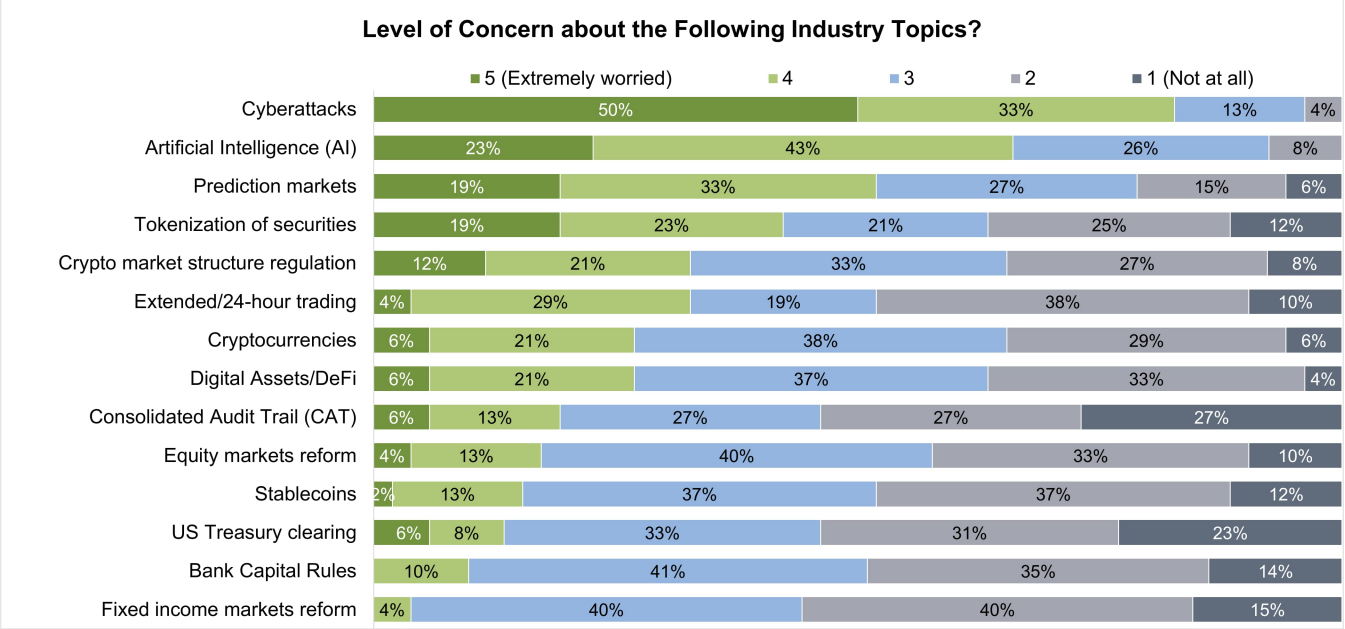
Committee Survey Results

Ahead of the meeting, SIFMA committee members were asked about their outlooks for geopolitical, operational and economic risks (5 = extremely worried, 1 = not worried at all). The top two spots remained unchanged from the last year's survey: respondents ranked "U.S. debt levels" as their primary concern, followed by "U.S. inflation," while geopolitical tensions with Iran replaced tensions with China as the third-largest concern.



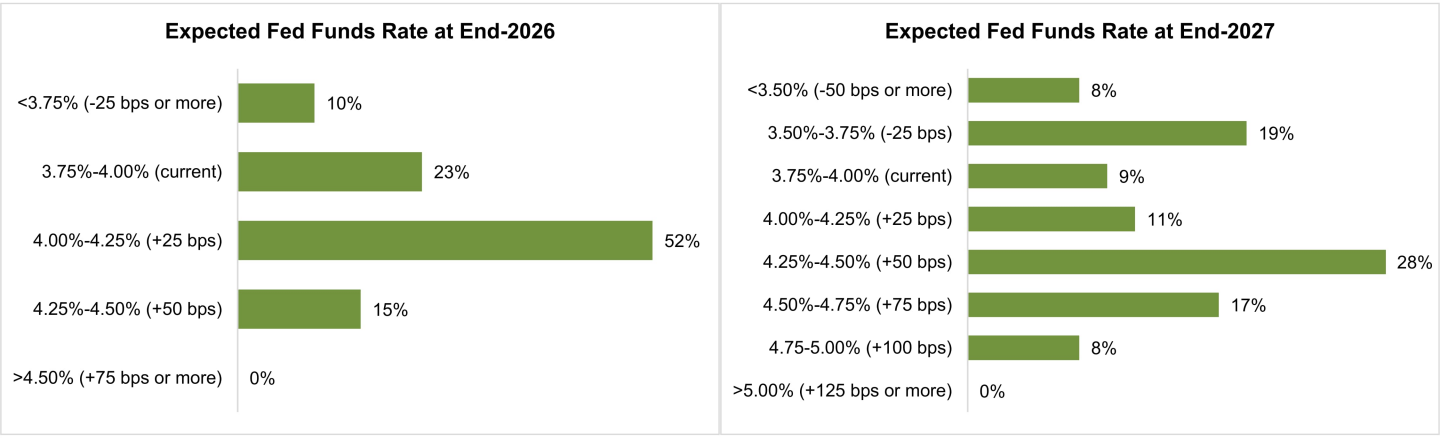
Source: SIFMA Insights conference survey

By industry topic, "cyberattacks" remained the leading concern for the second year, followed by "artificial intelligence," which moved up one spot from last year. "Prediction markets" replaced "cryptocurrencies" as the third largest area of concern this year, suggesting the need for greater regulatory clarity as new marketplaces and instruments become more widely available to investors.



Source: SIFMA Insights conference survey

Survey respondents also differed over the policy outlook. With the federal funds target range at 3.75%–4.00% at the time of the survey, half the respondents expect the Fed to raise rates one more time by the end of the year, while a quarter of respondents expect the rate to remain at the current level. Looking ahead to next year, the outlook showed even greater variation: While nearly two-thirds of respondents expect the Fed Funds rate to end 2027 higher than the current target level, nearly one-quarter expect rate cuts, suggesting a high degree of uncertainty over the trajectory of inflation and growth.



Source: SIFMA Insights conference survey

A Debate on Inflation's Roots and the Appropriate Monetary Policy Response

The economic panel explored why similar growth forecasts can lead to different policy conclusions. Moderated by CNBC's Steve Liesman, the discussion between BMO's Scott Anderson and Moody's Mark Zandi revealed a substantive disagreement about the economic outlook, even as there was broad alignment on the near-term path for growth. Anderson emphasized resilient growth supported by capital spending, tax incentives, earlier monetary easing and household wealth. Zandi, in contrast, highlighted a more bifurcated economy, led by a robust "AI economy" performing strongly alongside a much weaker "traditional economy" backdrop of slower hiring, declining purchasing power and higher financing costs.[1]

Their growth forecasts were relatively close. Anderson cited roughly 2.5% fourth-quarter-over-fourth-quarter growth for 2026 and 2.2% for 2027; Zandi cited 2.3% and 1.9%, respectively. Zandi identified a larger difference in "the distribution of possible risks and what that means for the appropriate conduct of policy," providing the rationale for the difference in his rate outlook versus Anderson's, with a small gap in growth forecasts concealing a more consequential disagreement over the cost of tightening too much or too little.

Anderson expected further rate increases, identifying December and March as likely steps. He argued that persistent shelter and services inflation and repeated misses in achieving target inflation threatened the Fed's credibility and could unanchor inflation expectations. Zandi opposed further tightening, attributing much of the inflation problem to the Iran war, tariffs and immigration restrictions. Slowing wage growth, in his view, contradicted the argument that inflation had become broadly entrenched through an overheated labor market. As such, Anderson viewed additional restraint as necessary to reduce inflation persistence, while Zandi warned that monetary tightening would suppress demand in already struggling sectors, while leaving AI investment relatively insensitive to higher rates. He therefore saw a risk of pushing the non-AI economy into recession in order to address inflation that originated largely from supply shocks.

Higher Yields and Refinancing Risk

Anderson attributed much of the rise in Treasury yields to a reversal in expected Fed policy, with a further contribution from the term premium associated with fiscal concerns. Zandi placed greater weight on the war as the initial catalyst, including higher oil prices and the resulting shift in policy expectations. He also argued that changing stock-bond correlations could reduce bonds' hedging value and increase the compensation investors demand to hold them. Liesman challenged the inflation explanation by pointing to contained breakevens. Fiscal risks were a further concern: Higher rates increase interest expense and subsequent borrowing requirements, potentially reinforcing the upward pressure on yields. Zandi identified a future debt-limit confrontation as a possible catalyst for further market stress and warned that leveraged hedge funds, while important liquidity providers, could withdraw rapidly.

Refinancing was a more immediate concern than a broad deterioration in consumer credit—an outcome that FICO's Julie May cited as well in noting "broadly flat performance in personal loans and credit cards." She highlighted a

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[1] Many of the same economic pressures that Anderson and Zandi noted were later echoed by Charlie Cook, Jr., Founder and Contributor of "The Cook Political Report." He connected affordability challenges to a difficult midterm outlook for Republicans, particularly among constituencies exposed to higher fuel and fertilizer costs and tariffs and viewed potential Democratic gains primarily as a response to voters' dissatisfaction with the administration's policy decisions and their economic consequences.

potential challenge for mortgage investors as lenders adopt multiple new credit-scoring models: the same numerical score may represent different default risks depending on which model was used. Pools containing loans assessed under different models could also have greater variation in credit risk than a weighted-average score reveals. May emphasized that investors need to understand which models were used and how they differ when assessing pool composition, prepayments, defaults and pricing, because pools with the same average credit score could perform differently under different economic environments.

Zandi pointed to borrowers who had relied on lower future rates to make their financing manageable, including some FHA borrowers, commercial property owners and highly leveraged companies associated with private equity—an outcome that now seems increasingly unlikely in a “higher for longer” rate environment. Extending debt maturities or temporarily offering payment relief becomes less effective if rates remain high. Anderson similarly expected tighter financing to affect housing, autos and smaller businesses.

AI Productivity and the Risk of Overbuilding

Both economists expected AI to improve productivity over time. Anderson distinguished current gains from capital investment from task-level improvements that could become more visible in aggregate data over the next one to three years. Zandi anticipated approximately half a percentage point of additional annual total-factor-productivity growth over the next decade, conditional on the broader economic benefits developing as expected.

They were less certain about how gains would be distributed. Zandi questioned whether concentrated market power could prevent productivity gains from translating sufficiently into wages and wider household income. Anderson was more optimistic about eventual real-wage gains, while acknowledging labor displacement and uncertainty over the relationship between productivity and pay.

Financing risks from the AI buildout pose less of a possible threat to the banking sector; when pressed, both economists placed greater emphasis on nonbank finance as a likely source of stress versus traditional banks. While Zandi did not regard the existing debt stock as large enough to be systemic, he warned that continued rapid growth and opaque structures could change that assessment. In contrast, Anderson warned that increased reliance on debt, including long-term securitizations, could expose investors to tenant risk and technological obsolescence of the assets backing that financing.

The economic debate sharpened a question running through the conference: whether gains from innovation can extend beyond individual firms and products to support broader investment and growth. AI is improving operations, and tokenization offers ways to widen access and use collateral more efficiently, but adoption requires reliable infrastructure, clear responsibilities, viable business models and regulatory clarity. The broader economic benefits remain less certain: future revenues must justify the AI buildout and support its financing, while the effects on employment and the extent to which productivity gains translate into higher wages remain unresolved.

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